

# Audit's<sup>®</sup> MARKET ANALYSIS OF REITS AND REAL ESTATE COMPANIES

# Realty Stock Review

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## Market Strategy: Bad News May be Good News on Credit

There it was, right on the front page of *The Wall Street Journal* this week, those fear-some words: **Credit Crunch.**

*The Journal* cited numerous case histories of bread-and-butter, profitable, middle-America industrial companies whose loan requests have been denied or credit scaled back. Growth in bank loans has slowed by half, from a 9% annual rate a year ago to 4.5% currently. Economists called evidence of a banking slowdown "anecdotal" but acknowledge that the fastest way banks can strengthen balance sheets and meet new and tougher capital requirements effective at year-end is to cut back loans. That's the big picture.

The bad side: For real estate, the outlook is far gloomier. None of the traditional real estate lenders are eager to do business today:

- **Commercial banks** in some parts of the nation, notably the Northeast, are effectively red-lining real estate loans, especially for development and construction of new projects. The Comptroller of the Currency sent an advisory letter to all national bank CEOs and directors telling them to review real estate lending policies carefully and initiate any corrective measures. Examiners will be "aggressive" in requiring correction of weaknesses. The letter said lack of borrower equity in real estate projects is a "critical" part of weaknesses, and that appraisal policies are many times deficient.

The widely publicized surge in non-performing loans at New England banks results, in part, because hardened examiners from the Southwest have been turned loose in that region. They are effectively throwing out many assumptions banks used in making loans and classifying these loans as "substandard." Bank loan officers quickly get the message that today's new real estate loan may be tomorrow's non-

performing loan and are saying "No" frequently.

- **The S&L industry** is effectively out of business for most large and many smaller homebuilding companies, thanks to much tougher lending standards that went into effect last December. Organized homebuilders, many of whom depend upon S&L loans, have stormed Congress seeking relief but with little effect to date. Regulators say S&Ls have ample room under the new rules to meet builders' liquidity needs but S&L executives, having seen regulators snuff out their lives for past mistakes, aren't persuaded.

- **Life insurance companies** seem to have more money but highly advertised loan problems at some big lenders — e.g., Travelers Insurance with 5.56% of invested assets in problem mortgages and real estate — and weak property markets are curtailing enthusiasm. A March 23 *Journal* article quoted one insurance analyst as saying "It's a little unbelievable that...the insurance companies seem to imply they bought all the great properties in America." Life companies who used

mortgages to back up guaranteed investment contracts (GICs) may find themselves in a spread squeeze if problem loans mount.

- **Pension plans** which have poured multi-billions into real estate in recent years are reaping returns — 6.0% last year, vs. 7.2% in 1988 according to the Frank Russell-Nat. Council of Real Estate Investment Fiduciaries Index — well below the average for stocks. A few pension funds have changed property managers and anecdotal evidence suggests pension money isn't flowing nearly as generously into real estate as it did in the mid-1980s.

**Who's building?** Despite this bleak outlook, developers' hopes spring eternal. Who's building? Examples: A recent *Journal* article chronicled the race by four developers to be first out of the ground with a new office building in downtown Dallas, already saddled with a four-year supply (or 5.5 mil. sq. ft.) of office space. The four contenders: a 50% owned subsidiary of **Metropolitan Life Insurance Co.**; a joint venture between casualty insurer **Chubb**

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# Portfolio Planner of Stocks For Investment Goals

Portfolio Planner is designed as a Model Portfolio for long positions (first five sections below); a list of stocks to avoid or sell; and a group of less timely but still useful stocks (group below the heavy rule). Key elements of Selector are:

**1. Current Pricing Limit and Stop Loss Points for Each Stock.** We suggest initial, or limit, purchase prices plus check or sell prices in the two right hand columns.

We would follow these when placing buy/sell orders with brokers. Our check point prices change monthly with the market.

**2. Percentage Price Changes.** We show percentage price changes for recommended stocks in the latest month, and since the stocks were added to Portfolio Planner.

**3. Stocks Grouped for Investment**

**Goals.** Long positions are grouped into five major categories reflecting major investment goals. The first four groups are tailored for mainstream, risk-averse investing. The fifth group, Aggressive Recovery, contains stocks whose yield and recovery are speculative and riskier.

**4. Location and Region.** Selector lists major property types and regions so you can balance holdings.

Stock (Month recom.)	Entry Price	-Property Type	Detail-Reg.	Curr. Price	Chg.From recom.	Check Points Buy to / Sell At	Stock (Month recom.)	Entry Price	-Property Type	Detail-Reg.	Curr. Price	Chg.From recom.	Check Points Buy to / Sell At
<b>INCOME AND ASSET VALUE GROWTH</b>							<b>ICM Prop. (1/90)</b> 6.38 OF US 6.38 +1.9 7.00 5.75						
Seasoned Equity REITs and Income Property Owners							<b>MGI Props. (1/90)</b> 12.38 AP/OF US <b>11.13</b> (10.1) 13.00 11.13						
Bradley RE (1/90)	9.88	SC	NM	9.88	+2.0	10.50 8.88	<b>Nationwide Hlth.(1/90)</b> 14.88 MD US 14.75 +2.3 15.00 13.38						
Burnham Pacif.(1/90)	19.00	SC/OF	CA	17.63	(5.4)	<u>18.50</u> 17.13	<b>Prop.Tr.Am (1/90)</b> 9.25 SC/AP SW 8.75 (3.1) <u>10.00</u> 8.38						
Chicago Dock (1/90)	20.00	LD	IL	<u>18.00</u>	(9.7)	<u>20.00</u> 18.00	<b>Webb (Del) Cp. (1/90)</b> 9.25 HG SW <b>11.00</b> +18.9 <u>10.50</u> 8.38						
Dial REIT ((1/90)	16.25	SC	MW	15.25	(6.2)	17.50 14.63	<b>GROUP</b> (2.0)%						
EOK Green Ac.(1/90)	11.88	SC	NY	<u>12.50</u>	+5.3	12.50 10.75	<b>All Long Stocks above</b> (0.8)%						
Equit.RE Sh.LP (1/90)	7.63	SC	MW	7.50	(1.6)	8.50 6.88	<b>S&amp;P 500</b> 4.6%						
Federal RI.(1/90)	20.75	SC	NE	20.75	+1.7	22.50 18.63	<b>AVOID/SELL</b> Stocks which may be vulnerable to price/dividend declines						
IRT Prop.(1/90)	12.38	SC	SE	12.13	+0.3	<u>13.00</u> 11.13	<b>BRT Realty (1/90)</b> 12.25 MG NY 8.88 (23.5) --- ---						
Intl.Income (1/90)	13.63	SC	US	<u>18.25</u>	+36.0	<u>17.50</u> 12.25	<b>Cervill Inv. (1/90)</b> 9.50 MD FL 9.38 +2.4 --- 8.50						
New Plan Rlty(1/90)	17.00	SC	NE	<u>17.00</u>	+1.6	17.00 15.25	<b>Genl. Dev.(1/90)</b> 8.38 LD/HG FL 3.88 (53.7) --- ---						
Penn. REIT (1/90)	26.25	SC/AP	NE	<u>25.25</u>	(0.5)	<u>25.00</u> 23.63	<b>Hotel Inv.(1/90)</b> 5.63 HT US 4.75 (15.6) --- ---						
Santa Anita(1/90)	28.50	SC/RA	CA	27.13	(3.0)	<u>28.50</u> 25.63	<b>Landmark Land(1/90)</b> 9.63 LD W 13.50 (40.3) --- 8.63						
Shoppo Lau.LP(1/90)	8.63	SC	MD	8.75	+1.4	9.00 7.75	<b>Mtg. Inv.Plus(3/90)</b> 6.38 OF CA 5.00 +4.7 --- ---						
Utd.Dom.(1/90)	17.13	APT	SE	16.00	(6.6)	<u>17.00</u> 15.38	<b>Mtg. &amp; Rlty. Tr.(3/90)</b> 6.88 DV US 6.88 0.0 --- ---						
Wash. REIT(1/90)	17.63	OF/AP	DC	17.13	(1.3)	<u>18.00</u> 15.88	<b>Pres. Rlty. B(1/90)</b> 6.00 AP NY 5.75 (0.8) --- 5.38						
Weingarten RI(1/90)	31.00	SC	TX	30.63	+0.3	31.00 27.88	<b>TOTAL AVOID/SELL</b> (10.2)%						
West Inv.RE(1/90)	17.88	SC	CA	18.25	+4.1	19.00 16.13							
<b>GROUP</b>					(1.1)%								
<b>ABOVE AVERAGE INCOME, LOWER GROWTH &amp; INTEREST RISKS</b>							<b>LESS TIMELY STOCKS/STABLE INCOME &amp; SLOWER ASSET VALUE GROWTH</b>						
Fixed & Participating Mortgage REITs, Medical Leaseback REITs							Income Property Owners/Equity and Mortgage REITs						
Amer. Health Pr.(1/90)	22.00	MD	US	20.63	(3.6)	22.00 19.75	<b>BRE Properties(1/90)</b> 27.88 AP/SC NW 26.75 (1.9) <u>27.50</u> 25.13						
Health CarePr. (1/90)	31.00	MD	US	29.00	(4.1)	31.00 27.88	<b>Cousins Props.(1/90)</b> 15.75 LD/OF GA 15.25 (2.2) <u>16.00</u> 14.13						
Rock.Ctr.Prop. (1/90)	20.25	OF	NY	19.25	(4.9)	20.25 18.25	<b>Eastgroup Prop.(1/90)</b> 20.25 OF/IN US 20.00 (1.2) <u>21.00</u> 18.25						
Univ.Hlth.RI (1/90)	13.00	MD	US	<u>13.00</u>	+2.8	13.00 11.75	<b>Fed. Nat. Mtg.(1/90)</b> 33.25 MG US 34.88 +5.3 <u>36.00</u> 29.88						
<b>GROUP</b>					(5.1)%		<b>HRE Props.(1/90)</b> 19.50 SC/OF US 17.63 (9.6) <u>18.50</u> 17.50						
<b>FASTER GROWTH, DEVELOPMENT RISKS PLUS PRICE VOLATILITY</b>							<b>Koger Equity(1/90)</b> 19.00 OF SE 17.50 (7.9) <u>18.00</u> 17.13						
Investment Builders, Income Property Owners, & Equity MLPs							<b>Mellon Partic.(1/90)</b> 5.63 SC US <u>4.75</u> (15.6) 6.00 5.13						
Forest City A (1/90)	39.25	SC/OF	US	38.13	(2.3)	40.00 35.50	<b>Perini Invest. P.(1/90)</b> 13.88 OF/IN US <u>12.38</u> (9.7) <u>13.00</u> 12.50						
Koger Prop. (1/90)	22.75	OF	SE	22.25	(2.2)	24.00 20.50	<b>REIT of Calif.(1/90)</b> 14.25 SC/OF CA 14.88 +4.4% 15.00 12.88						
Rouse Co. (1/90)	24.00	SC/LD	US	24.00	+0.6	25.50 21.63	<b>Recovery candidates: Builders/developers &amp; REITs</b>						
<b>GROUP</b>					(1.9)%		<b>CleveTrust Rlty.(1/90)</b> 3.88 OF/SC SW 3.88 0.0 4.50 3.50						
<b>LONG TERM GROWTH VIA LAND DEVELOPMENT/RATE RISKS/PRICE VOLATILITY</b>							<b>Duke Realty(1/90)</b> 5.00 OF/IN MW 4.75 (1.6) <u>5.25</u> 4.50						
Land & Income Property Developers, Homebuilders							<b>First Union RE(1/90)</b> 15.63 SC/OF NAT 17.75 +13.6 <u>16.50</u> 14.13						
Centex Corp. (1/90)	33.25	HG/MT	US	<u>37.50</u>	+13.1	<u>35.00</u> 29.88	<b>K&amp;B Home(1/90)</b> 12.63 HG/CL CA 12.75 +1.6 <u>14.00</u> 11.38						
Inter.Genl.LP(3/90)	8.75	LD/AP	MD	8.75	0.0	<u>9.75</u> 7.00	<b>Leisure Tech.(1/90)</b> 2.13 RH US 2.25 +5.9 <u>2.50</u> 1.88						
Lennar Corp. (1/90)	18.63	HG	FL	19.63	+5.7	20.00 16.75	<b>MSA Rlty.(1/90)</b> 8.63 SC MW <u>7.00</u> (17.1) <u>8.00</u> 7.75						
Newhall Land (1/90)	28.88	LD	CA	29.63	+3.3	30.00 26.00	<b>Ryland Gr.(1/90)</b> 19.25 HG/MG US 20.25 +5.2 <u>22.00</u> 17.25						
Std.Pacific LP (1/90)	15.25	HG	CA	14.13	(0.8)	15.00 13.75	<b>Sizeler Prop.(1/90)</b> 14.00 SC LA <u>14.50</u> +6.4 14.00 12.63						
<b>GROUP</b>					+5.1%								
<b>AGGRESSIVE RECOVERY/TAKEOVER CANDIDATES/LIQUIDATIONS</b>													
Speculative yield, Uncertain Outcome, High Price Volatility													
Copley Prop. (1/90)	12.63	IN	W	<u>12.13</u>	(4.0)	12.00 11.38							
Hlth.CareREIT (1/90)	15.00	MD	MW	14.00	(3.8)	<u>15.00</u> 13.50							

Property types: AP=Apartment; CL=Commercial; DV=Diversified; HT=Hotel/looding;  
HG=Housing; IN=Industrial; LD=Land Devel.; MT=Motel; MG=Mortgage; OF=Office; RA=Race track;  
RH=Retirement housing; SC=Shopping Center; SL=Savings & loan.  
Property locations: NE=Northeast; SE=Southeast; SW=Southwest; MW=Midwest; W=West; NW=Northwest  
US=National. States are Postal Service code.  
Buy limits are approx. maximum purchase prices at publication date. Additions or changes underlined;  
Stock selling at, above or below limit price is in **bold italics**

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*continued from page 1*

Corp. and an Australian developer; the U.S. unit of Canadian developer **Bramalea Ltd.** of Toronto; and **Rosewood Financial Corp.**, controlled by one branch of the Hunt family. All profess to see a need for large blocks of contiguous office space. Example: Within minutes of Audit's office in suburban Bergen County, N.J., three offices each with over 200,000 sq. ft. stand nearly vacant (highest occupancy is about 25%); all are financed by insurers.

**The good side:** The evolving credit crunch may finally restore some normalcy and balance to real estate markets both nationally and locally by halting new construction. Already this prospect is bringing new investors into selected realty stocks. Our goal is to keep our perspective in a time when the media is telling us that the sky is falling and find good investment opportunities for you in this rapidly changing market. We repeat our observation of recent issues: today's times sound very much like the middle 1970s, when the news was all bad and realty stocks went up.

Last year we told you about the credit tautness that sent large and highly leveraged real estate financiers like **Integrated Resources**, **Lomas Financial Corp.** and **Southmark Corp.** all tumbling into Chapter XI last year. Now the rolling credit cutbacks are causing unexpected grief for a number of real estate companies which thought they had little to fear from the S&L wind-down and any credit crunch. All this is the inevitable part of the downsizing of the real estate industry into fewer and slimmer, trimmer operators.

Lest you get quivery, be advised that most equity and leaseback REITs appear insulated from a credit crunch because of their generally low leverage and sparse use of short-term credit. But the real estate credit cutback is fanning out and touching some very unexpected real estate stocks, mainly in the mortgage REIT and homebuilder and land developer categories. Some recent horror stories:

### REITS

- **Mortgage & Realty Trust** (MRT:NYSE) defaulted on \$13 mil. of

commercial paper on March 14 and now must scramble to pull together a \$250 mil. bank revolving credit to avoid Chapter XI. It matters little that MRT had stayed out of trouble for 20 years in the volatile mortgage lending business by being stodgy and conservative. What matters is that a series of errors and miscalculations by credit rating agencies, banks and management combined to force MRT to the brink of bankruptcy. We think MRT likely will work out a new revolving credit agreement with its banks that will lead to downsizing MRT from \$568 mil. assets at present to perhaps half that size in the next 18-24 months. A new credit pact will take time. We're showing MRT with zero dividend in our market tables on assumption MRT won't settle with lenders in time to make a payment in late April. Advice: it's still too early to make new positions in the stock; previous holders may hold or sell as their individual circumstances dictate. MRT is moved to Avoid/Sell Group in Portfolio Planner and Rank is cut to D.

- MRT may be the last REIT exposed to a commercial paper crunch. Our tabulation of debt structure for equity, leaseback and traditional mortgage REITs shows that only one other REIT, **BRT Realty Trust** (BRT:NYSE), is currently issuing commercial paper and it is leaving the market because its dealer-manager, Drexel Burnham, folded in February. BRT had \$43.7 mil. unrated paper outstanding at Dec. 31 but expects most of this will be retired with bank debt by March 31. **Meditrust** (MT:NYSE), a medical leaseback and lending REIT, issued unrated paper briefly through Merrill Lynch Capital Markets last fall but has also pulled out.

- **Lomas & Nettleton Mortgage Investors** (LOM:NYSE), a short-term construction lending REIT advised by a unit of Lomas Financial Corp. (LFC:NYSE), was a major paper user until last summer but has pulled out entirely following the Ch. XI filing of LFC in August 1989. LOM's bank lines, standing at \$213 mil. as of March 1, won't be renewed when they expire April 30, 1990 and LOM says it believes funds on hand and its projected liquidity from loan pay-offs will be adequate to let it repay the loans. We would avoid LOM until it has

passed the April 30 red date.

- **Emerald Mortgage Investments Corp.** (EIC:NYSE), a REIT which issues collateralized mortgage obligations or CMOs, has received a three-month extension to May 1, 1990 of a \$40 mil. term loan. EIC also will allow its management agreement with its manager to expire April 30 and become self-administered.

- **HealthVest** (HVT:ASE), a medical leaseback REIT that has been forced to the wall by financial difficulties of its original sponsor, Austin, Tex. based Healthcare International, said three bank and life insurance lenders posted three Texas properties for foreclosure on April 3, 1990, a reprise of action these lenders took in recent months. HVT continues to discuss restructuring proposals with the lenders.

### HOMEBUILDERS AND LAND DEVELOPERS

- **U.S. Home Corp.** (UH:NYSE) says "several banks have again [emphasis added] informed the Company of their desire to eventually withdraw from the credit agreement" for \$161 mil. expiring April 6, 1990. UH reduced debt dramatically during 1989 and seems to have restored marginal profitability after nearly hitting the wall in its Texas homebuilding operations three years ago.

- Smaller homebuilders are under great pressure: **Union Valley Corp.** (UVC:ASE) was notified by First Fidelity Bank that its \$100 mil. revolving credit agreement would not be renewed and all amounts outstanding would become due Aug. 1, 1990. UVC is laying off about 30% of its workforce. **International American Homes** (HOME:OTC) said two subsidiaries were in default or delinquent on bank loans and credit lines and lost \$1.07/sh. in the Dec. qtr. on a \$14.3 mil. writedown of advances and investments in subsidiaries. Both homebuilders are based in New Jersey and are talking with lenders. Florida based **FPA Corp.** (FPO:ASE), builder of the Palm-Aire retirement complex in Pompano Beach, is negotiating with the largest holders of its senior and subordinated notes to reach agreement on funding its semi-annual interest payments that were due Feb.



15 and March 1. If payment isn't made in 30-days, FPO could default.

- **General Homes Corp.** (GHO:NYSE), once a major Houston homebuilder, failed to win approval of holders of \$140 mil. of its subordinated debt for an exchange offer that would let it restructure \$250 mil. in senior debt. GHO continues talking with its senior bank lenders in an effort to avoid a Ch. XI filing.

- **Landmark Land Co.** (LML:ASE), a builder of prestige golf course communities, has seen its cash flow dry up, partly because its S&L subsidiary (which it bought in 1985 with help from Federal regulators) keeps losing money almost as rapidly as LML can make money by building golf course communities. Virtually all

its golf courses are for sale and last week LML agreed to sell its Carmel Valley Ranch Resort to American International Golf Resorts Inc. for \$60 mil. If the sale closes, LML will book about \$28 mil. or \$3.50 per share gain. Advice: We retain as an Avoid/Sell in Portfolio Planner despite a 57% runup this month.

- **General Development Corp.** (GDV:NYSE), the oldest Florida land developer and timeshare seller, was forced to the brink by falling sales and profits, rising leverage that resulted in downgrading of its debt, and a grand jury probe that last week resulted in indictment of its two former top officers and its agreement to make an estimated \$80 mil. to \$100 mil. restitution over 25 years to defrauded homebuyers. GDV's banks agreed to re-

lease the balance of a \$175 mil. credit line after receiving a security interest in certain land and receivables. Prudential Life Insurance Co. received a junior interest in these assets to secure \$75 mil. in senior subordinated notes it holds. Advice: We retain in the Avoid/Sell group. **United Capital Corp.** (ICU:ASE), a New York area real estate company, filed notice it will seek to elect six directors to GDV's board at the May 4 annual meeting. ICU holds a 12.6% stake in GDV. Rival and smaller **Deltona Corp.** (DLT:NYSE) was put on the block after an Empire of Carolina led group took co-control of the board.

- **Patten Corp.** (PAT:NYSE), a land developer, was also issuing commercial paper through Drexel Burnham; PAT is talking with its banks who want security for previously unsecured credit lines.

## RANKING REVIEW: Interstate General's growth explosion

Investors may finally be realizing just how strong long-term fundamentals are for **Interstate General** (ASE: IGC), builder of the 9,100 acre new town of St. Charles south of Washington, D.C. — or have they? IGC shares jumped 21% in the last three months with an increasingly likely prospect that IGC will double operations in two-three years. Even at its current level of \$8-3/4, IGC units sell 54% below management's current value estimate of \$16 per unit.

The unusual aspect of IGC's price run is that events behind it had been in place since the beginning of the year. If the investment community lets this value go unnoticed, IGC management may not. Insiders already hold a majority of units and Chairman James Wilson holds 41%. It seems possible that IGC, like another big winner this year, International Income Properties (ASE: IIP — see RSR, Feb. 23), could attempt to go private.

Three major events fuel growth expectations at IGC:

- **Increased homebuilding.** In Nov. 1989 IGC agreed to acquire American Family Homes (AFH), a Charlotte, NC based homebuilder that specializes in affordable, entry-level on-your-lot homes, for \$7.5 mil. in units and cash. The acquisition gives IGC entree to five Southeastern states. The deal was completed in Feb.

1990 and signals IGC's intent to become a major homebuilder outside of St. Charles.

The American Family Homes acquisition will bring to IGC experience in the affordable market segment, bolstering its housing operations and reflecting IGC's strategic move into homebuilding. American Family is an odd-lot builder that erects houses on property its customers already own. AFH has made a promising foothold, earning \$1.9 mil. on \$18.3 sales in 1988, in a difficult business, especially in Southeastern home markets where tough competition from small local builders makes growth difficult.

- **Assured new town development.** In Dec. 1989 IGC received county approval under its balanced growth rules to build-out the remaining portion of its St. Charles master planned community. This consists of approx. 15,000 units that have an exceptionally low cost basis, providing IGC with 30%-40% gross margins.

In the 1990s 6,000 lots (600 per year) will become available in addition to the Dec. 1989 backlog of 1,500 lots; after that IGC can use lots at an annual rate of 650 units per year. St. Charles is approx. 23 miles south of Washington D.C., which virtually assures growth. In the 1990s IGC will likely increase its homebuilding activity at St. Charles by a minimum 50% in order to utilize its take-down schedule

(IGC historically builds 50% of homes constructed in St. Charles).

**Low cost land** provides IGC with a cushion that most homebuilders don't have. St. Charles land was acquired in 1968 at an average cost of approx. \$1,000 an acre after the original developer failed. IGC's development costs add another \$10,000-\$12,000 per acre. The current value of developed lots in St. Charles ranges from \$40,000 to \$50,000, which means IGC can achieve up to 350% gross profit on land sales. Its homebuilding thus has a potential break-even point some \$30,000 below its competition, allowing it to profit in soft markets.

- **Massive new project in Puerto Rico.** Also in Dec. 1989 IGC acquired (as 80% joint venture partner) approx. 1,000 acres in two tracts of undeveloped land in Puerto Rico. The land comprised substantially all the assets of the San Juan Racing Association; both sites will be developed as two master-planned communities while existing thoroughbred racing continues on a portion of one tract.

The partnership will operate the race track through a third party operator and develop the land for industrial and commercial space and 7,000 residential units. IGC had previously mentioned lowering its partnership holding to approx. 40% via a public offering of limited partnership



units, which would recover most of IGC's investment and leave it in control.

**Value added:** The partnership acquired the San Juan assets for \$67.5 mil. — which works out to \$84,375 per acre and \$9,600 per unit assigning zero cost to the commercial uses. IGC believes the joint venture could produce \$1 bil. in gross housing revenues over 20 years and that race track operations should free operating cash flow of \$8 mil. a year. With total acquisition debt service of approx. \$7.5 mil. yearly, the deal means that the race track should service acquisition debt and free cash resources for development. We estimate

conservatively the present value of IGC's bottom line share of this investment at approx. \$0.90/un.

**Continued growth ahead:** IGC's 1989 revenues rose 5% to \$61.7 mil. and are derived from four businesses lines: Community development/lot sales - 25%; home sales - 63%; investment properties - 4%; management fees - 5%; other income - 2%. Home and lot sales are certain to increase in importance as IGC begins to realize income from AFH and a major increase of activity at St. Charles.

In 1989 IGC's CFS was \$1.33/unit, an increase of 2% over 1988. In 1990 we see

cash flow bolting about 20% to \$1.60/un. New Puerto Rico operations should add about \$0.04/un., American Family Homes maybe \$0.10/un., with homebuilding and lot sales making up the balance. IGC boosted payout to an \$0.80 annual rate last August and we'd expect another boost of about 5%-10% sometime late this year.

**Recommendation:** Buy shares. We are adding IGC to Portfolio Planner in the Long Term Growth-Land Development sector. The market hasn't yet reflected the future cash flow increases we foresee as IGC's new operations mature. Rank is boosted to A.

## MARKET PULSE: No Rest For Weary Realty Stocks

Just when our universe of stocks appeared to be finished overreacting to bad news of selected issues, **General Development Corp.** and **Mortgage & Realty Trust** offered the market a fresh batch and realty stocks felt new pressure (see pages 1-3) as this news set about another round of selling.

The down trend continues with new lows outpacing new highs, but still at a much lower rate than at the end of 1989. Realty stocks as a group bounced back strongly in the first two weeks of March, then turned negative in weeks three and four. We see this as a normal short-run swing; longer term trends strike us as negative to neutral.

**High/low indicator:** New lows continue to outpace new highs. Two stocks hit new highs during the past two weeks, both continuing their rise from mid-February. They may both be takeover plays -- one announced, the other long-shot possibility according to our careful look on page 4. Realty stocks posted net new lows of -20 for the Mar. 16 week and -21 for the March 23 week.

The number of realty stocks reaching new highs or lows relative to all publicly traded stocks continues to reflect disfavor by the market. However, in a world that rewards those who anticipate change correctly, today's realty stock environment provides rich ground to search for 1990 and 1991 winners.

	New Week	New Highs	New Lows	Net Highs	-% of All Highs	Stock- Lows
Mar.23	1	22	-21	0.3%	4.7%	
Mar.16	2	22	-20	0.6	5.7	
Mar. 9	3	13	-10	0.9	3.6	
Mar. 2	3	14	-11	1.2	2.5	
Feb.23	1	20	-19	0.7	3.5	
Feb.16	2	40	-38	0.9	7.3	
Feb. 9	2	22	-20	0.8	4.3	
Feb. 2	0	30	-30	0.0	3.0	
Jan.26	1	33	-32	0.5	3.2	
Jan.19	0	20	-20	0.0	3.2	
Jan.12	2	15	-13	0.5	3.9	
Jan. 5	3	7	-4	0.6	4.6	

In the weeks of March 16 and March 23, only two realty stocks hit new highs:

**International Income Properties** continues to rise on the Feb. 15 offer it received from a management controlled entity to acquire IIP's assets in an all-cash transaction. Management is offering a sum based on an independent appraisal adjusted to reflect any increase or decrease in value to May 31, 1990. As a deal gets closer to reality, IIP's share price should continue gravitating toward appraised value, \$20.05 per share at Dec. 31, 1989.

Shares of **Interstate General L.P.**, builder of St. Charles, Md., master planned community, rose on improved earnings and growth prospects from diversification into Puerto Rico, approval for completion of its 9,100 ac. master planned community near Washington D.C. (p.4).

Groups containing new lows placed by order of magnitude held their position in March 16 and 23 weeks. By loosely based groups and number of new lows in each:

Equity REITs/Property owners - 16: BRE Properties, Burnham Pacific, Chicago Dock & Canal, Forest City B, Gould Investors L.P., HRE Properties, ICM Property Inv., IRT Property, La Quinta Motor Inns, L.P., Metropolitan Realty, MSA Realty, Perini Investment Properties, Sierra Real Estate '83, Sierra VII Preferred, United Dominion Realty Trust, and USP REIT.

We believe now is a good time to buy the seasoned trusts in this group which still have sound financial and market fundamentals and may be near the bottom of a down price trend. See our March 9 cash flow and dividend analysis. We feel many of these REITs will continue to offer total returns in excess of 10%, making the present a ripe buying opportunity. See Audit's Portfolio Planner on page 2 for our selections.

Syndicators/Syndicator REITs - 5: Angeles Corp., Equitec Financial, Income Opportunity Trust, VMS Mtg. Inv. Fund, VMS Mtg. III. Finances and the market have soured on these entities.

Mortgage lenders - 5: Amer. Southwest Mortgage, BRT Realty Trust, Capital Housing & Mortgage Trust, Mortgage Investments Plus, Mortgage & Realty



Trust. This group has been plagued by bad loans and diminishing spreads which could get worse before improving. Mortgage and Realty Trust got into a cash bind and defaulted on a \$13 mil. interest payment (see page 3).

**Builders/Developers - 4:** Calton, General Development Corp., Major Realty, Radice Corp. new. These companies are finding it increasingly expensive to finance land inventories and development projects. General Development and officers reached a settlement which could approach \$100 mil. over 25 years, after receiving a Federal indictment (see page 4). Major Realty shares have been weak since 33% controlling shareholder Stoneridge Resources (SRE:NYSE) announced its plan to name the reorganized Radice Corp. as Major's advisor. A Swedish investor swapped its 6% holding in Major for shares in Stoneridge, boosting its stake in SRE to 9%.

**Liquidating - 1:** Hotel Investors Trust.

In Chapter XI - 1: Southmark Corp. shares continues to fall on news of additional losses of \$148 mil. or \$3.17 per share in the six months ended Dec. 31, 1989. This greatly exceeds the comparable 1988 loss of \$91 mil.

**Advance/decline indicator:** In March, as a group, realty stock price advances still outnumber declines. However in the third week realty stocks posted their first negative net showing of the month. The group continues to move between positive and negative, turning decidedly positive early in March before turning down again the March 16 and March 23 weeks.

## PLANNER ADVICE: New Players and New Strategies

Even as realty stocks grope for bottom in a three-year bear market, new players have started filtering into REITs and some operating companies. A few trusts are shaping dramatically different investment strategies. All this tells us that discounts to current net asset value are now large enough to attract some very serious players into realty stocks. Here's a run-down of changes, with our advices:

**ICM Property Investors Inc.** (ICM:NYSE), New York based holder of nationally diversified office properties, came under new management as West Coast realty operator Peter B. Bedford bought its investment adviser, Investors Central Management Inc., a mortgage banker. Simultaneously ICM agreed to acquire \$30 mil. of West Coast industrial properties from Bedford, paying with \$10 mil. in shares of ICM stock and \$20 mil. of ICM notes secured by purchase money mortgages on the properties, which are to be selected. Closing is expected by Sept. Bedford and ICM must agree upon the value of properties finally selected, and the deal requires an investment banker's fairness opinion. ICM and Bedford tentatively agreed to value ICM's shares in the deal at \$10, subject to adjustment.

The market reacted negatively initially, seeing the deal as a way to put a 15.4% holder in place as a shark repellent. But ICM later moved back near 7 as investors realized that the deal, if completed, will bring new blood and direction to ICM. Industrial properties would make up about 1/3 of holdings. Bedford, based in Lafayette, Cal., is highly regarded as a private real estate operator with close ties to the Kemper Financial Group. Bedford also holds a 6.2% stake in **Amrep Corp.**, developer of Rio Rancho community near Albuquerque. How Bedford deals with ICM's biggest money loser, a 247,000 sq. ft. Orlando office, is the test. Time will tell. We continue ICM as a recovery selection in Portfolio Planner and retain B Rank.

**PORTFOLIO PLANNER, CHANGES AND ADVICES:** As noted on page 3, we are moving **Mortgage & Realty Trust** to the Avoid/Sell group (from Less Timely selection) because of uncertainty about its credit negotiations. Rank moves to D. We are also moved **Mortgage Investments Plus** (MIP:ASE), California based participating mortgage lender,

to Avoid/Sell as noted in RSR Mar. 9 because of uncertain outcome as it wrestles with two large problem loans. Rank falls to C.

We have double-digit gains in three Portfolio Planner stocks and are advising you not to chase these stocks by posting buy prices that are below current quotations. The happy trio: **Centex Corp.**, the Dallas based homebuilder and material company; **International Income Properties**, shopping center equity REIT considering a buyout offer (p. 5); and **Del Webb Corp.**, Phoenix based retirement community developer that just reinstituted a dividend but is embroiled in a proxy fight with dissident director, James J. Cotter, who is chairman of Craig Corp., Los Angeles supermarket and photographic accessories company. Craig also is the controlling holder of **Reading Co.**

**First Union Real Estate** gained when it put its 15 wholly owned shopping centers up for sale. If a sale closes, FUR would pay about \$15/sh. distribution. Excess funds would go into apartments. We think odds are about 3-to-1 against any sale. FUR moves to B Rank. Hold.

Three other stocks have dipped below our predetermined sell check points. After looking at assets and cash flow results, we are advising holding these stocks:

**Chicago Dock & Canal Trust** (DOCKS:OTC), developer of a prime urban tract on the shores of the Chicago River, was mentioned in a *Forbes* article on Chicago overbuilding. Developers of an apartment complex on DOCKS' land also were said to be involved with a troubled but unrelated Chicago apartment. We view DOCKS as a buy on major dips.

**MSA Realty Corp.** (SSS:ASE), Indianapolis REIT that holds Midwestern shopping centers in ventures with Mel Simon Associates, dipped sharply on scuttlebutt that it has pulled its package of shopping centers off the market. SSS did not return phone calls to confirm.

**Mellon Participating Mortgage Trust** (MPMTS:OTC), a finite life mortgage trust managed by a Mellon subsidiary, elected a new chairman, pension real estate manager John McMahan after McMahan's company was acquired by Mellon. MPMTS' charter calls for it to return loan repayments received after Jan. 1, 1990; we believe assets are collectible.

Week	Adv.	Decl.	Net -% of All Stocks-			
			Adv.	Decl.	Adv.	Decl.
Mar.23	54	84	-30	2.5%	2.5%	
Mar.16	58	73	-15	2.0	3.0	
Mar. 9	78	57	+21	2.4	2.6	
Mar. 2	69	54	+15	2.1	2.5	
Feb.23	55	81	-26	3.4	2.2	
Feb.16	53	87	-34	2.0	3.1	
Feb. 9	64	66	-2	2.0	2.9	
Feb. 2	68	71	-3	2.6	2.4	
Jan.26	24	117	-93	4.8	5.1	
Jan.19	69	69	0	6.7	4.2	
Jan.12	44	89	-45	5.5	4.5	
Jan. 5	94	42	+52	5.5	4.1	



## MARKET STATS: KEY DATA FROM OUR MONTHLY COMPUTERIZED MARKET SURVEY

## Highest Dividend Yields

Abnormally high dividend yields may indicate the market is expecting a dividend cut in the near future. Mortgage lending REITs, especially those managed by troubled VMS Realty, and the CMO REITs (Asset Inv., Emerald Mtg. and RYMAC Mtg.) lead this category. REITs with the highest current yields:

## Highest Yielding REITs

1. VMS Mtg. Inv. Fd.	73.8%
2. VMS Hotel Inv.	60.0
3. VMS Strategic Land	50.8
4. VMS Short-Term Income	32.0
5. Asset Investors	27.2
6. American Realty	27.0
7. BRT Realty Trust	22.5
8. Emerald Mtg. Investment	22.2
9. RYMAC Mtg. Inv.	21.3
10. Lomas & Net. Mtg.	20.9

## Highest Yielding Companies

1. VMS Mtg. Invest. LP	91.4%
2. Forum Retirement Pfd.	38.6
3. La Quinta Mtr. LP	29.6
4. U.S. Realty Part. LP	26.0
5. Prime Motor Inn LP	20.8
6. CF Income Part. LP	19.5
7. Amer. Real Est. Part. LP	16.7
8. Std.-Pacific LP	16.6
9. NVR LP	15.6
10. Equitable RE Shop.Ctr.LP	14.1

## Lowest Dividend Yields

Low dividend yields excluding non-dividend payers generally point toward the companies and REITs with the lowest cost of capital, and hence the highest expected growth rates. Low yield may signal a recent dividend cut.

## Lowest Yielding REITs

1. Chicago Dock	1.7%
2. Storage Equities	2.6
3. Bay Meadows Oper.	2.9
4. Cousins Props.	4.0
5. Merry Land & Invest.	4.1
6. Nooney Realty Tr.	4.7
7. HMG-Courtland Prop.	5.9
8. International Income Prop.	6.1
8. Weingarten Rlty.	6.1
9. New Plan Realty	6.2
10. Washington REIT	6.3

## Lowest Yielding Companies

1. Tejon Ranch Co.	0.1%
2. Santa Fe Pacific	0.5
3. Forest City B	1.0
4. Forest City A	1.1
4. Centex Corp.	1.1
4. Oakwood Homes	1.1
7. Lennar Corp.	1.2
8. MCA Inc.	1.3
9. First Carolina Corp.	1.4
9. PHM Corp.	1.4
11. Fed. Natl. Mtg. Assn.	1.6

## Best Performing Cos.

The best and worst performing REITs and companies based on total return (dividend plus price change) for the past month and over the past year are as follows (excluding stocks selling below \$2 per share):

## Best Performing REITs

Last Month	
1. Lomas & Net. Mtg.	+39.4%
2. Cedar Income Fund	+33.3
3. Bay Meadows Operating	+27.3
4. RAC Mtg. Inv.	+21.7
5. Contl. Mtg. & Equity Trust	+19.0

Last 12 Months	
1. Intl. Income Prop.	+42.1%
2. Grubb & Ellis REIT	+37.6
3. Bay Meadows Operating	+29.1
4. INVG Mtg. Securities	+27.2
5. Weingarten Realty	+27.1

## Best Performing Companies/MLPs

Last Month	
1. Landmark Land	+56.5%
2. Forum Ret. PFD. LP	+16.7
3. Clayton Homes	+14.1
4. Henley Properties	+13.8
5. Oakwood Homes	+13.5

Last 12 Months	
1. Pacesetter Homes	+75.8%
2. Fed. Natl. Mtg.	+64.2

3. Contl. Homes Hldg.	+52.6
4. UDC-Univ. Dev. LP	+40.4
5. Centex Corp.	+37.2

## Worst Performing REITs

Last Month	
1. Mtg. & Rlty. Trust	-45.5%
2. VMS Mtg. Inv. Fund	-23.5
3. Storage Equities	-21.0
4. USP Rl. Est. Inv.	-20.5
5. Sierra RE Equity '83	-12.5

Last 12 Months	
1. HealthVest	-67.9%
2. VMS Hotel Fund	-66.9
3. Lomas&Net.Mtg.	-59.0
4. EOK Realty Inv. I	-57.9
5. VMS Strategic Land	-52.9

## Worst Performing Cos./MLPs

Last Month	
1. General Development	-36.7%
2. National Rlty. LP	-14.3
3. Hovnanian Enterprises	-13.6
4. NVR LP	-12.6
5. Fairchild Communities	-10.8

Last 12 Months	
1. VJ-Lomas Fincl.	-93.6%
2. Bay Fincl.	-91.6
3. Tierco Group	-87.5
4. Equitec Financial	-84.8
5. Unicorp American	-80.8
VJ=In Ch. XI bankruptcy.	

## CURRENT ASSET VALUE COMPARISONS

	DATE	CURRENT VALUE/ SHARE	% PRICE TO APP. VALUE		DATE	CURRENT VALUE/ SHARE	% PRICE TO APP. VALUE		DATE	CURRENT VALUE/ SHARE	% PRICE TO APP. VALUE
QUALIFIED REITS				SIERRA RE EQ83	12/89	10.38	-57.9	MSA REALTY CORP	12/88	12.35	-43.3
BRE PROPERTIES	7/89	36.75	-27.2	SIERRA RE EQ84	12/89	7.44	-58.0	NATIONAL REALTY	12/88	26.00 b	-85.6
BURNHAM PAC PR.	12/88	18.50 b	-4.7	TRAML CROW REI	12/88	11.46	-68.4	NEWHALL LAND	12/89	28.52	3.9
COPELY PROPS	12/88	23.37	-48.1	USP RL EST INV	12/88	9.44	-59.0	PERINI INV PR	12/89	24.81	-50.1
DUKE RLTY INVST	12/88	8.31	-42.8	UTD DOMINN RLY	12/88	20.50 b	-22.0	PRIME MTR INN LP	12/88	20.90 b	-52.2
FEDERAL REALTY	12/88	21.50 b	-3.5	WASH RE (WRIT)	12/88	17.00 b	0.7	RED LIONS INNS	12/88	17.00 b	-1.5
FIRST UNION RE	12/88	26.25 b	-32.4	WEINGARTEN RLY	12/88	23.00 b	33.2	ROUSE CO	12/89	34.80	-31.0
GRUB&ELLS REIT	12/89	8.48	-13.0	WESTERN INV RE	12/88	19.00 b	-4.0	SHOPCO LAURL CTR	12/88	11.40	-23.2
HRE PROPERTIES	10/88	27.50 b	-35.9	AVERAGE (24 REITS)			-27.0	SOUTHWEST RLTY	2/89	3.70	-69.6
INTL INCOME PR	12/89	20.05	-9.0					AVERAGE (16 COMPANIES)			42.9
IRT PROPERTY CO	12/88	16.00 b	-24.2	BAY FINCL CORP	6/89	6.02	-83.4				
NEW PLAN RLY TR	7/89	16.67	2.0	EOK GRN ACRES LP	12/88	13.93	-10.3				
PENN REIT	8/88	26.00 b	-2.9	EQUITABLE RE SC	12/88	10.22	-26.6				
PRU RL CAPITAL	12/88	2.43	-74.3	FOREST CITY-A	1/89	70.00 b	-45.5				
SANTA ANITA	12/88	27.82	-2.5	FOREST CITY-B	1/89	70.00 b	-46.1				
SIERA CAP RLY IV	12/89	7.94	-49.6	FORUM RET PFD UN	9/89	9.96	-64.9				
SIERA CAP RLY VI	12/89	8.82	-44.7	LA QUINTA MTR IN	12/88	15.75 b	-57.1				

Current market values of net assets (i.e., properties held) are reported publicly by companies. Values are estimated by management and concurred in by independent appraisers except for: New Plan Realty, management estimate only. Share values are fully diluted. a-Entity has not revalued mortgages. b-Estimated by RSR; not confirmed by Trust.

## TRACKING THE REAL ESTATE MUTUAL FUNDS

3/21/90	FUND	DISTRIBUTOR/ EXCHANGE	FUND TYPE#	NET ASSET VALUE (NAV)	PAID 12 MOS.	IND. YIELD	—CHANGE IN NAV—	
				NAV	OFFER		LAST MON.	LAST YR.
OPEN-END FUNDS								
	EVERGREEN GLOBAL REAL EST.	Evergreen Funds	NL	9.57 9.57	9.57	\$0.17	-0.72%	NA
	FIDELITY REAL ESTATE INV.	Fidelity Mgmt.	LD-2.0%	9.16 9.16	9.16	0.52	-0.96%	2.78%
	NATL. REAL ESTATE STOCK	Natl. Secur. & Res.	LD-7.75%	7.44 7.44	7.89	0.52	6.78%	-9.23%
	NATL. REAL ESTATE INCOME	Natl. Secur. & Res.	LD-7.75%	7.10 7.10	7.53	1.00	13.14%	-21.47%
	TEMPLETON REAL EST. TR.-New	Templeton Dist.	LD-9%	9.36 9.36	9.54	0.08	0.84%	-0.83%
	UNITED SER. REAL ESTATE	Utd. Services	NL	8.47 8.47	8.51	0.37	4.35%	0.71%
	USAA CORNERSTONE FUND	USAA Invest.	NL	18.09 18.09	18.79	0.68	3.62%	-1.11%
CLOSED-END FUNDS								
	REAL EST. SECURITIES INCOME	AS-RIF	MKT	PRICE \$6.88	NAV \$7.14	1.00	14.55%	0.00%
				PERCENT CHANGES BASED ON NAV			NA=NOT APPLICABLE; NEW FUND	
				6.00	6.00			
				6.69	6.69			

#—LD=LOAD; NL=NO LOAD; MKT=OPEN MKT.

6.00 6.00  
6.69

NA=NOT APPLICABLE; NEW FUND



## GROUP ACTION SUMMARY 3/21/90

GROUP NO.	GROUP NAME	DIV PAY	NO DIV.	SHARES TOTAL	BOOK VALUE (000)	ANN. DIV.	EARN 12-MO	PRICE 3/21/90	TOTAL RET. FROM 2/22/90	FROM 3/21/89	P/E RATIO	ANNUAL YIELD	PRICE TO BOOK	RETURN ON BOOK	MKT VALUE MIL. \$
1	Property REITs	38	6	44	8752	11.59	0.93	0.97	12.80	0.2 (3.0)	13.2	7.3	10.4	8.3	5658.9
2	Leaseback REITs	11	2	13	7975	14.21	1.36	1.61	12.32	2.0 4.5	7.7	11.1	(13.3)	11.3	1537.3
3	Property & Mtg. Comb.	16	1	17	6269	10.99	0.71	0.66	6.51	(5.4) (28.6)	9.8	10.9	(40.7)	6.0	637.3
4	Mortgage REITs	20	3	23	9096	12.00	1.14	0.55	7.20	1.7 (6.2)	13.0	15.8	(40.0)	4.6	1494.6
5	Participating Mtg. REITs	9	0	9	16207	10.89	1.19	0.84	7.13	0.2 (14.7)	8.5	16.7	(34.6)	7.7	1128.7
REIT AVERAGE				106	8966	11.84	1.01	0.90	10.03	0.1 (7.0)	11.2	10.1	(15.3)	7.6	10456.9
6	Major Homebuilders	8	4	12	20740	12.18	0.40	1.74	11.44	1.5 (4.8)	6.6	3.5	(6.1)	14.2	2310.2
7	Other Builders/Developers	4	26	30	7948	5.49	0.17	0.02	5.38	1.5 (10.3)	237.5	3.1	(1.9)	0.4	1140.1
8	Income Prop Bldr/Owner	17	7	24	8366	10.81	0.91	0.69	13.18	(1.7) (12.6)	19.1	6.9	21.9	6.4	3097.1
9	Mortgage Banker/Finance	5	3	8	41977	5.44	0.39	(0.82)	8.17	0.3 (0.7)	0.0	4.7	50.1	(15.0)	8535.2
10	Diversified Rlty & Holding	8	5	13	39337	9.14	0.36	(2.12)	20.18	1.8 0.6	0.0	1.8	120.8	(23.1)	14795.9
11	Rlty Svcs/Syndicators	0	3	3	7965	4.81	0.00	(0.70)	3.77	(2.2) (9.5)	0.0	0.0	(21.7)	(14.6)	92.5
12	Manufactured Housing	3	3	6	11524	9.05	0.22	0.38	9.47	4.6 (14.2)	24.7	2.3	4.6	4.2	893.4
OTHER REALTY STOCKS AVERAGE				96	16962	8.35	0.43	0.04	10.53	0.6 (7.5)	241.9	4.0	26.1	0.5	30864.3
L	Liquidating Companies	5	1	6	7288	8.63	1.99	0.02	5.47	(2.3) (2.0)	252.4	36.4	(36.6)	0.3	236.8
TOTAL/AVERAGE				208	12766	10.18	0.73	0.49	10.27	0.3 (7.2)	1.88	7.1	0.9	4.8	41558.0
Dow Jones Industrials							225.21	2727.93	5.9	25.2	12.1	4.0			
Standard & Poor's 500							22.94	330.74	1.5	17.6	14.4	3.6			
Dow Jones Utilities							18.47	214.98	(0.9)	26.0	11.6	6.9			
Dow Jones Home Construction Group								379.06	1.6	3.4					
Dow Jones Real Estate Group								553.14	0.1	19.1					

Liquidating Cos. included only in Total Cos. and Market Value. Industrials, S&P500, Utilities, Home Construction & Real Estate Return from Feb. 22 not adjusted for dividends.

## QUALIFIED REAL ESTATE INVESTMENT TRUSTS

RANK	NAME	REVIEW DATE	EXCHANGE/ SYMBOL	SHARES OFF	BOOK VALUE	ANN DIV	---EARNINGS--- MON	PRICE 12 MOS 3/21/90	-TOTAL RET. FROM 2/22/90	P/E % ANN RATIO YIELD	% PRICE TO BOOK	RETURN ON BOOK	MKT VAL MIL \$				
A	AMER HEALTH PROP#	12/8/89	NY-AHE	2	14,461	19.01	2.32	DEC 2.58	20.63	(1.2) %	22.9 %	8.0	11.2 %	8.5 %	298.3		
NR	AMER SW MTG INVM	1/27/89	AS-ASR	4	14,326	9.73	0.60	S DEC 0.40 D	3.13	(3.8)	(13.1)	7.8	19.2	(67.9)	4.1	44.8	
C	AMERICAN REALTY	8/11/89	NY-ARB	4	8,356	15.00	1.52	SEP 0.66	5.63	0.0	(18.6)	8.5	27.0	(62.5)	4.4	35.8	
C	ASSET INVESTORS		NY-AIC	4	13,892	14.94	1.80	S DEC 1.47 D	6.63 X	(5.7)	25.8	4.5	27.2	(55.7)	9.8	92.0	
B	P-BAY MEADOWS OPER		AS-CJ	1	5,773	3.94	0.60	DEC 0.47 U	20.38	27.3	29.1	43.4	2.9	417.1	11.9	117.6	
NR	BOODIE-NOEL PROP#		AS-BNP	2	2,850	11.41	1.36	SEP 1.32	10.63	0.0	(7.8)	8.0	12.8	(6.9)	11.6	30.3	
A	BRADLEY RLEST	10/20/89	AS-BTR	1	4,175	6.31	0.80	DEC 0.65 U	9.88	(9.2)	(20.3)	15.2	8.1	56.5	10.3	41.2	
C	BRIE PROPERTIES #	10/20/89	NY-BRE	1	7,886	21.25	2.40	S JAN 2.50 D	26.75 X	(1.0)	(1.2)	10.7	9.0	25.9	11.8	211.0	
B	BRT REALTY	9/29/89	NY-BRT	4	7,345	14.46	2.00	S DEC 2.19	8.88 X	(9.6)	(41.0)	4.1	22.5	(38.6)	15.1	65.2	
A	BURNHAM PAC PROP#	10/20/89	NY-BPP	1	6,042	14.85	1.36	S DEC 1.82 D	17.63 X	(2.2)	2.6	9.7	7.7	18.7	12.3	106.5	
NR	CALIFORNIA REI	9/29/89	NY-CT	1	9,065	6.72	0.40	SEP 0.40	2.50	0.0	(32.1)	6.3	16.0	(62.8)	6.0	22.7	
NR	F-CAPITAL HSG&MTG	11/24/89	AS-CAP	4	4,982	8.79	0.73	SEP 0.61	7.00	(6.7)	4.1	11.5	10.4	(20.4)	6.9	34.9	
C	CAPSTEAD MTG CORP		NY-CMO	4	8,700	20.14	2.24	S DEC 1.73	14.75 X	10.3	4.9	8.5	15.2	(26.8)	8.6	128.3	
NR	F-CEDAR INCOME FD #		OC-CEDR	1	2,329	8.09	0.52	SEP 0.36	6.00	33.3	8.5	16.7	8.7	(25.8)	4.4	14.0	
C	CENMILL INVSTR	8/11/89	NY-CVI	3	8,883	12.60	1.40	SEP 1.25	9.38 X	(1.5)	(29.6)	7.5	14.9	(25.6)	9.9	64.5	
B	CHICAGO DOCK&CANL	3/10/89	OC-DOCKS	1	5,784	7.12	0.30	JAN 1.10 U	18.00	(10.0)	(30.3)	16.4	1.7	152.8	15.4	104.1	
C	CLEVELTRUST RLT#		OC-CTRIS	1	1,973	17.30	0.00	DEC (0.62) U	3.88	0.0	(26.2)	0.0	0.0	(77.6)	(3.6)	7.6	
NR	COLUMBIA RE INVT		AS-CIV	4	5,379	9.43	0.92	S SEP 0.92	7.00 X	1.5	19.4	7.6	13.1	(25.8)	9.8	37.7	
NR	CONTL MTG&EQUITY	3/24/89	OC-CMETS	3	11,486	8.90	0.48	SEP (0.85)	3.13	19.0	(31.4)	0.0	15.4	(64.9)	(9.8)	35.9	
B	COPLEY PROPS #	12/8/89	AS-COP	3	4,008	16.37	1.44	SEP 1.55	12.13	(1.0)	(22.7)	7.8	11.9	(25.9)	9.5	48.6	
C	COUNTRYWIDE MTG		NY-CWM	4	13,645	7.99	0.64	DEC 0.63	3.50	(9.7)	(19.2)	5.6	18.3	(56.2)	7.9	47.8	
A	COUSINS PROPS	3/10/89	OC-COUS	1	17,307	6.17	0.60	DEC 0.87	15.00	(0.8)	7.9	17.2	4.0	143.1	14.1	259.6	
NR	CRI INS MTG ASSN	12/8/89	NY-CRM	4	19,586	10.26	1.08	S ---	0.00	8.83 X	0.2	4.6	0.0	12.5	(15.9)	0.0	168.9
NR	F-CRI LIQUIDATING	12/8/89	NY-CFR	4	30,733	13.33	1.80	L ---	0.00	11.38 X	(1.1)	4.7	0.0	14.1	(14.7)	0.0	349.6
NR	DEL-VAL FINCL		NY-DVL	4	5,712	12.57	1.92	S DEC 1.86 S	18.38 X	0.9	22.6	9.9	10.4	46.2	14.8	105.0	
B	DIAL REIT INC #	10/27/89	OC-DEAL	1	5,322	17.31	1.68	DEC 1.72 U	15.25	(3.2)	2.5	8.9	11.0	(11.9)	9.9	81.2	
B	DUKE RLT INVT #	10/27/89	NY-DRE	1	8,594	6.99	0.68	SEP 0.68	4.75	(5.0)	6.0	7.0	14.3	(32.0)	9.7	40.8	
B	EASTGROUP PROPS	12/8/89	AS-EGP	1	2,504	23.82	2.60	S SEP 5.91	20.00	(1.8)	(6.8)	3.4	13.0	(16.0)	24.8	50.1	
B	EASTOVER CORP		OC-EASTS	3	1,144	15.80	1.36	S SEP 2.64	11.00	0.0	(17.8)	4.2	12.4	(30.4)	16.7	12.6	
NR	EMERALD MTG INVT	9/23/88	NY-EC	4	8,750	9.92	0.50	DEC 0.73 D	2.25	5.9	(50.0)	3.1	22.2	(77.3)	7.4	19.7	
C	F-EOK RLT INVT #	9/29/89	NY-EKR	1	7,589	14.32	0.00	SEP 1.57	5.63	(6.3)	(57.9)	3.6	0.0	(60.7)	11.0	42.7	
A	FEDERAL REALTY#	10/20/89	NY-FRT	1	16,476	12.09	1.40	S DEC 1.92 U	20.75 X	4.2	(2.6)	10.8	6.7	71.6	15.9	341.9	
NR	FINIST CONTL REIT		OC-FORES	4	5,403	2.30	0.00	NOV (0.73)	0.31	(9.0)	(64.2)	0.0	0.0	(86.4)	(31.7)	1.7	
B	FIRST UNION RE#	10/20/89	NY-FUR	1	17,659	9.28	1.50	S SEP 2.21	17.75	6.8	(2.5)	8.0	8.5	91.3	23.8	313.4	
NR	GOLDEN CORRAL #		OC-GCRA	2	1,480	9.36	1.04	DEC 1.08 S	7.50	7.1	(2.9)	6.9	13.9	(19.9)	11.5	11.1	
C	F-GRUB&ELL'S REIT		OC-GRIT	5	2,500	8.90	0.72	SEP 0.48	7.38	9.3	37.6	15.4	9.8	(17.1)	5.4	18.4	
A	HEALTH CARE PRP#	12/22/89	NY-HCP	2	11,450	23.28	2.96	DEC 3.18	29.00	2.2	25.7	9.1	10.2	24.6	13.7	332.1	
B	HEALTH CARE REIT	12/22/89	AS-HCN	4	6,078	12.16	1.72	DEC 1.79	14.00	(1.8)	18.3	7.8	12.3	15.1	14.7	85.1	
D	HEALTH EQUITY PRP#	12/8/89	NY-EOP	2	3,622	13.02	1.52	S DEC 1.71	9.38	17.2	(2.1)	5.5	16.2	(28.0)	13.1	34.0	
D	HEALTHVEST #	8/25/89	AS-HVT	2	10,773	20.14	0.00	SEP 2.36	3.88	0.0	(67.9)	1.6	0.0	(80.8)	11.7	41.7	
C	HLTH & REHAB PRP#	12/22/89	NY-HRP	2	16,000	8.78	1.16	DEC 1.20	9.25	2.8	24.1	7.7	12.5	5.4	13.7	148.0	
C	HMC&COURTLND PROP	9/29/89	AS-HMG	1	1,216	18.78	0.60	S SEP (2.14)	10.25 X	(5.5)	(2.5)	0.0	5.9	(45.4)	(11.4)	12.5	
C	P-HOLLYWOOD PK RLT	2/24/89	OC-HTRFZ	1	3,956	1.38	0.00	SEP (3.81)	26.75	11.5	11.5	0.0	0.0	1838.4	(276.1)	105.8	
B	HRE PROPERTIES #	4/21/89	NY-HRE	1	6,006	25.15	1.60	D OCT 2.42	17.63	(10.8)	(23.1)	7.3	9.1	(29.9)	9.6	105.9	
B	ICM PROP INVT#	12/8/89	NY-ICM	3	5,476	13.30	0.48	DEC 0.77 D	6.38	(12.1)	(25.5)	8.3	7.5	(52.1)	5.8	34.9	
NR	F-INCOME OPP RLT#		AS-IOT	3	4,375	13.84	0.40	JUN (1.43)	3.75	(3.2)	(7.8)	0.0	10.7	(72.9)	(10.3)	16.4	
A	INTL INCOME PR#	4/28/89	AS-IIP	1	15,953	8.91	1.12	DEC 1.82 D	18.25	8.1	42.1	11.3	6.1	104.8	18.2	291.1	
NR	INVG MTG SECS		OC-INVG	4	882	27.30	1.40	S SEP (1.62)	9.25	(2.6)	27.2	0.0	15.1	(66.1)	(5.9)	6.3	



RANK	NAME	REVIEW DATE	EXCHANGE/ SYMBOL	GRF	SHARES (000)	BOOK VALUE	ANN DIV	---EARNINGS--- MON	12 MOS 3/21/90	PRICE 2/22/90	-TOTAL RET. FROM 3/21/89	P/E % ANN RATIO YIELD	% PRICE TO BOOK	RETURN ON BOOK	MKT VAL MIL \$			
A	IRT PROPERTY CO#	Δ 10/27/89	NY-IRT	1	12,240	9.00 ✓	1.16	DEC	1.17 U	12.13	(3.0)	0.6	10.4	9.6	34.7	13.0	148.4	
B	KOGER EQUITY INC#	Δ 3/10/89	AS-KE	1	14,313	18.68	1.80	DEC	1.89	17.50	(3.4)	(0.4)	9.3	10.3	(6.3)	10.1	250.5	
C	L&N HOUSING		NY-LHC	5	2,200	18.93	1.56	D	DEC	0.17	11.50 X	4.5	(11.9)	67.6	13.6	(39.2)	0.9	25.3
Z	LANDSING PACIFIC#	Δ 10/20/89	AS-LPF	1	6,157	19.14	0.80	S	DEC	0.75	8.00 X	0.9	17.3	10.7	10.0	(58.2)	3.9	49.3
NR	LINCOLN NC RL FND		AS-LRF	3	1,998	12.25	0.84	SEP	0.33	8.13	(3.0)	(6.4)	24.6	10.3	(33.7)	2.7	16.2	
NR	F-LINPRO SPCFD PROP		AS-LPO	1	1,856	5.81	0.00	SEP	(0.02)	1.25	0.0	(52.4)	0.0	0.0	(78.5)	(0.3)	2.3	
D	LOMAS & NET MTG	2/10/89	NY-LDM	4	11,704	20.91	1.20	DEC	(0.24)	5.75	39.4	(59.0)	0.0	20.9	(72.5)	(1.1)	67.3	
NR	MEDICAL PROPS		AS-MPP	2	2,369	10.86	1.20	S	DEC	0.80	7.25	0.0	(4.8)	9.1	16.6	(33.2)	7.4	17.2
C	MEDITRUST #	Δ 12/22/89	NY-MT	2	18,721	16.31	2.29	U	DEC	2.21	17.88	(2.1)	22.5	8.1	12.8	9.6	13.5	334.6
C	F-MELLON PART MTG	8/25/89	OC-MPMTS	5	8,645	9.05	0.72	SEP	0.73	4.75	(11.6)	(23.2)	6.5	15.2	(47.5)	8.1	41.1	
C	MERRY LAND & INV		OC-MERY	3	9,576	7.05	0.20	DEC	0.93	4.88 X	2.1	5.5	5.2	4.1	(30.9)	13.2	46.7	
B	MGI PROPERTIES #	Δ 2/23/90	NY-MGI	1	9,421	17.68	1.12	S	FEB	1.30 D	11.13	(25.6)	8.6	10.1	(37.1)	7.4	104.8	
B	MONMOUTH REIT @	Δ 1/27/89	OC-MNRTS	3	1,915	5.47	0.70	S	DEC	0.65 D	5.88	0.0	9.6	9.0	11.9	7.4	11.9	11.3
D	MTG & RLTY TRUST	8/25/89	NY-MRT	3	11,002	17.04	0.00	D	DEC	1.81	6.88	(45.5)	(49.9)	3.8	0.0	(59.7)	10.6	75.6
C	MTG INVSTMT PLUS#	Δ 8/25/89	AS-MIP	3	9,020	8.35	0.80	DEC	0.80 U	5.88 X	(8.3)	(12.5)	7.3	13.6	(29.6)	9.6	53.0	
B	NATIONWIDE HLTH #	Δ 12/8/89	NY-NHP	2	11,195	19.05	1.84	DEC	2.30 D	14.75	0.0	25.2	6.4	12.5	(22.6)	12.1	165.1	
MR	NATL INCOME RLTY	3/24/89	OC-NIRTS	3	11,362	9.80	0.48	SEP	(3.19)	3.25	8.3	(39.3)	0.0	14.8	(66.8)	(32.6)	36.9	
A	NEW PLAN RLY TR#	Δ 10/27/89	NY-NPR	1	34,713	8.48 ✓	1.06	OCT	1.01	17.00 X	2.3	14.5	16.8	6.2	100.5	11.9	590.1	
NR	F-NOONEY RLY TR#	Δ	OC-NRTI	1	867	16.63	0.40	DEC	0.31	8.50 X	(4.4)	10.5	27.4	4.7	(48.9)	1.9	7.4	
B	ONE LIBERTY PR#	Δ 6/23/89	AS-OLP	2	2,203	13.42	0.00	JUN	0.01	11.13	0.0	(15.2)	1112.0	0.0	(17.1)	0.1	24.5	
A	PENN REIT#	10/27/89	AS-PEI	1	8,215	10.39 ✓	1.72	NOV	1.67	25.25	(1.5)	23.9	15.1	6.8	143.0	16.1	207.4	
NR	PITTS & WVA RR		AS-PW	2	1,510	6.07	0.56	SEP	0.55	5.88 X	2.4	9.5	10.7	9.5	(3.2)	9.1	8.9	
D	PRESIDENTL RL-A#	Δ	AS-PDLA	3	479	4.01	0.80	D	JUN	1.97	5.88 X	13.0	(44.8)	3.0	13.6	46.5	49.1	2.8
D	PRESIDENTL RL-B#	Δ	AS-PDLB	3	2,825	4.01	0.80	D	JUN	1.97	5.75 X	5.8	(45.7)	2.9	13.9	43.4	49.1	16.2
B	PROPERTY CAPITAL		AS-PCT	3	10,088	13.83	1.12	JAN	2.48	12.00 X	(2.7)	(24.0)	4.8	9.3	(13.2)	17.9	121.1	
A	PROPERTY TR AMER#	Δ 9/29/89	NY-PTA	1	5,071	10.15	0.84	DEC	0.69 D	8.75	(6.7)	(4.1)	12.7	9.6	(13.8)	6.8	44.4	
B	F-PRU RL CAPITAL #	Δ	NY-PRT	1	11,135	1.41 ✓	0.00	---	0.00	0.63	0.0	(50.0)	0.0	0.0	(55.7)	0.0	7.0	
B	F-PRU RL INCOME #	Δ	NY-PRTPR	1	11,135	8.00	0.69	SEP	0.69	5.50	(4.3)	(2.9)	8.0	12.5	(31.3)	8.6	61.2	
NR	RAC MTG INVESTMT		NY-RMR	4	14,450	8.44	0.60	S	DEC	0.01	3.50	21.7	(21.8)	350.0	17.1	(58.5)	0.1	50.6
B	REALTY REFUND		NY-RRF	4	1,021	18.29	1.72	JAN	1.72	13.88	(2.6)	10.4	8.1	12.4	(24.1)	9.4	14.2	
C	REALTY SOUTH		AS-RSI	3	2,098	11.13	0.32	SEP	0.17	3.63 X	2.2	(50.4)	21.3	8.8	(67.4)	1.5	7.6	
B	REIT OF CALIF#	Δ 10/20/89	NY-RCT	1	7,356	12.45	1.42	U	DEC	1.59 U	14.88	5.3	0.0	9.4	9.5	19.5	12.8	109.4
NR	RESIDENTIAL MTG		AS-RMI	4	4,220	7.73	0.00	SEP	(0.07)	1.75	16.7	27.3	0.0	0.0	(77.4)	(0.9)	7.4	
NR	F-RESORT INCOME INV	8/25/89	AS-RII	5	4,156	11.61	1.60	SEP	1.53	9.75	1.3	(1.5)	6.4	16.4	(16.0)	13.2	40.5	
A	ROCK CTR PROPS #	Δ 12/8/89	NY-RCP	5	37,510	16.31	1.88	S	DEC	1.86	19.25	(1.9)	11.1	10.3	9.8	18.0	11.4	722.1
NR	RPS REALTY TRUST	12/8/89	NY-RPS	5	29,282	6.84	0.84	SEP	(0.10)	5.88	0.0	16.3	0.0	14.3	(14.1)	(1.5)	172.0	
NR	RYMAC MTG INVSTMT		AS-RM	4	5,420	8.46	1.60	S	SEP	0.89	7.50	17.6	8.7	8.4	21.3	(11.3)	10.5	40.7
A	P-SANTA ANITA	4/28/89	NY-SAR	1	10,957	10.27 ✓	2.08	DEC	1.61	27.13 X	(0.4)	(1.0)	16.8	7.7	164.1	15.7	297.2	
NR	F-SIERA CAP RLY IV#	Δ	AS-SZD	1	7,466	7.90 ✓	0.30	S	DEC	0.33 U	4.00 X	1.9	(16.7)	12.1	7.5	(49.4)	4.2	29.9
NR	F-SIERA CAP RLY VI#	Δ	AS-SZF	1	3,526	8.14 ✓	0.33	DEC	0.28 U	4.88 X	6.0	11.7	17.4	6.8	(40.1)	3.4	17.2	
NR	F-SIERA RE EQ83#	Δ	OC-SETBS	1	3,032	7.39 ✓	0.35	U	DEC	0.10 D	4.38	(12.5)	(31.1)	43.8	8.0	(40.8)	1.4	13.3
NR	F-SIERA RE EQ84#	Δ	OC-SETC	1	4,887	6.80 ✓	0.00	DEC	(0.28) D	3.13	4.2	(46.8)	0.0	0.0	(54.0)	(4.1)	15.3	
B	SIZELER PROP INV#	Δ 2/24/89	NY-SIZ	1	3,713	18.83	1.56	SEP	1.47 D	14.75	8.3	(0.4)	10.0	10.6	(21.7)	7.8	54.8	
C	STORAGE EQUITIES		NY-SEO	1	10,943	14.39	0.20	D	DEC	1.01 D	7.75 X	(21.0)	(30.6)	7.7	2.6	(46.1)	7.0	84.8
NR	TIS MTG INVSTMT		NY-TIS	4	8,100	8.94	1.28	S	DEC	0.99 U	6.88	(1.8)	13.6	6.9	18.6	(23.1)	11.1	55.7
C	F-TRAML CROW REI#	Δ 7/8/88	NY-TCR	1	9,075	9.01 ✓	0.70	DEC	1.05	3.63	0.0	(36.2)	3.5	19.3	(59.8)	11.7	32.9	
NR	F-TRANSCONTL RLY #	Δ	NY-TCI	3	12,843	13.15	0.40	SEP	(0.60) U	2.88	(8.0)	(47.8)	0.0	13.9	(78.1)	(4.6)	36.9	
A	UNIV HEALTH RLY#	Δ 12/8/89	NY-UHT	2	7,047	14.05	1.48	S	SEP	1.59	13.00 X	7.0	19.3	8.2	11.4	(7.5)	11.3	91.6
C	USP RL EST INV#	Δ	AS-URT	1	3,880	7.74 ✓	0.60	SEP	0.26	3.88	(20.5)	(34.1)	14.9	15.5	(49.9)	3.4	15.0	
A	UTD DOMINN RLY#	Δ 10/27/89	OC-UDRT	1	11,587	13.81 ✓	1.24	DEC	1.26 U	16.00	(1.5)	(0.2)	12.7	7.8	15.9	9.1	185.4	
NR	F-VMS HOTEL INVSTMT		AS-VHT	5	9,863	8.75	0.90	SEP	0.88	1.50	0.0	(66.9)	2.2	60.0	(82.9)	7.8	14.8	
NR	VMS MTG INVSTMT FD	11/24/89	NY-VMG	5	39,709	8.80	1.20	SEP	1.07	1.63	(23.5)	(66.3)	1.5	73.8	(81.5)	12.2	64.5	
NR	VMS S/T INCOME		AS-VST	4	6,918	9.20	1.04	SEP	0.99	3.25	4.0	(43.5)	3.3	32.0	(64.7)	10.8	22.5	
NR	VMS STRATEGIC LAND		OC-VLANS	5	11,994	8.85	1.27	SEP	1.11	2.50	17.6	(52.9)	2.3	50.8	(71.8)	12.5	30.0	
A	WASH RE (WRIT)#	Δ 4/21/89	AS-WRE	1	15,478	7.32 ✓	1.08	S	DEC	1.16 U	17.13 X	0.1	(5.0)	14.8	6.3	133.9	15.8	265.1
D	WEDGESTONE FINCL	8/11/89	NY-WDG	4	5,795	5.69	0.00	SEP	(2.24)	2.38	58.3	(17.4)	0.0	0.0	(58.3)	(39.4)	13.8	
A	WEINGARTEN RLY#	Δ 10/20/89	NY-WRI	1	16,487	16.14 ✓	1.88	DEC	2.11 D	30.63 X	2.0	27.1	14.5	6.1	89.7	13.1	504.9	
A	WESTERN INV RE#	Δ 10/20/89	AS-WIR	1	15,969	14.48 ✓	1.42	DEC	1.50	18.25	1.4	5.4	12.2	7.8	26.0	10.4	291.4	

## COMPANIES AND BUSINESS TRUSTS

NR	ABRAMS INDS INC		OC-ABRI	10	2,994	6.00	0.20	S	JAN	0.54	S	5.00	X	(3.8)	20.5	9.3	4.0	(16.7)	9.0	15.0	
C	LP-AMER RE PARTNERS	1/12/90	NY-ACP	8	14,361	17.38	2.00	S	SEP	1.82	12.00	3.2	(8.9)	6.6	16.7	(31.0)	10.5	172.3			
L	AMERICAN HOTEL		NY-AHR	L	4,920	9.54	8.00	DEC	(0.17)	6.00	0.0	2.8	0.0	133.3	(37.1)	(1.8)	29.5				
C	AMREP CORP	9/15/89	NY-AXR	7	6,618	10.25	0.00	JAN	(0.05)	D	7.13	(1.7)	(13.6)	0.0	0.0	(30.5)	(0.5)	47.2			
NR	ANGELES CORP		AS-ANG	11	2,737	8.20	0.00	DEC	(0.49)	6.38	(5.6)	13.3	0.0	0.0	(22.3)	(6.0)	17.4				
E	VJ-BAY FINCL CORP		NY-BAY	8	3,851	0.24	0.00	SEP	(7.47)	1.00	(11.1)	(91.6)	0.0	0.0	316.7	(3112.5)	3.9				
C	LP-BURGER KING INV #	Δ 1/12/90	NY-BKP	8	4,635	17.29	0.72	SEP	1.76	12.63	X	2.4	5.2	7.2	5.7	(27.0)	10.2	58.5			
C	CALPROP CORP		AS-CPP	7	4,617	8.93	0.00	DEC	1.08	7.00	3.7	(5.2)	6.5	0.0	(21.6)	12.1	32.3				
C	CALTON INC		NY-CN	7	24,573	2.32	0.00	NOV	(0.19)	0.63	(9.2)	(76.2)	0.0	0.0	(73.1)	(8.2)	15.4				
NR	CENTENNIAL GROUP		AS-CED	10	26,200	5.33	0.00	DEC	(0.24)	D	1.25	25.0	(50.0)	0.0	0.0	(76.5)	(4.5)	32.8			
A	CENTEX CORP	11/10/89	NY-CTX	6	15,073	28.77	0.40	S	DEC	3.88	37.50	X	(0.7)	37.2	9.7	1.1	30.3	13.5	565.2		
C	LP-CF INCOME PTRNS #	Δ 1/12/90	NY-CFI	8	13,169	6.89	1.00	SEP	0.82	5.13	(8.9)	(15.5)	6.3	19.5	(25.6)	11.9	67.5				
NR	CHAMPION ENTPRS		AS-CHB	12	7,167	4.99	0.00	NOV	(1.72)	2.00	0.0	(51.5)	0.0	0.0	(59.9)	(34.5)	14.3				
C	CHRISTIANA COS		NY-CST	7	5,192	5.71	0.00	DEC	0.52	8.88	(7.8)	20.3	17.1	0.0	55.4	9.1	46.1				
B	CLAYTON HOMES		NY-CMH	12	15,817	6.02	0.00	DEC	1.05	9.13	14.1	17.7	8.7	0.0	51.6	17.4	144.3				
E	LP-CMNWLTH MTG AM-A		NY-CMA	9	35,000	(0.15)	0.00	DEC	(0.70)	0.22	(12.4)	(87.5)	0.0	0.0	0.0	0.0	7.7				
NR	CONGRESS ST PROPS		OC-CSTP	10	1,075	11.78	0.00	NOV	(1.25)	4.00	0.0	(38.5)	0.0	0.0	(66.0)	(10.6)	4.3				
C	CONTL HHS HOLDING		OC-COH	7	3,515	7.97	0.00	FEB	0.87	U	7.25	0.0	52.6	8.3	0.0	(9.0)	10.9	25.5			
B	COUNTRYWIDE CRDIT	2/24/89	NY-CCR	9	17,164	6.71	0.28	NOV	0.65	6.88	(3.5)	0.5	10.6	4.1	2.5	9.7	118.0				
D	COVINGTON DEVLPMNT		OC-COVT	7	13,943	0.80	0.00	DEC	0.30	D	0.72	(11.6)	(4.1)	2.4	0.0	(10.1)	37.5	10.0			
D	DELTONA CORP		NY-DLT	7	5,581	5.40	0.00	DEC	0.67	U	4.63	2.8	(9.8)	6.9	0.0	(14.4)	12.4	25.8			
NR	LP-EMERALD HOMES LP		NY-EHP	7	5,225	5.31	0.00	DEC	(1.94)	D	2.00	6.7	(59.2)	0.0	0.0	(62.3)	(36.5)	10.5			
B	LP-EOK GRN ACRES LP	Δ 1/12/90	NY-EGA	8	10,174	7.88	1.30	U	SEP	1.30	12.50	1.0	12.3	9.6	10.4	58.6	16.5	127.2			
B	LP-EQUITABLE RE SC #	Δ 1/12/90	NY-EQM	8	10,700	8.01	1.06	U	SEP	1.13	U	7.50	(1.6)	(3.8)	6.6	14.1	(6.4)	14.1	80.3		
D	EQUITEC FNCL GP		NY-EFG	11	4,952	1.07	0.00	SEP	(1.65)	0.44	(46.1)	(84.8)	0.0	0.0	(59.1)	(154.2)	2.2				
C	FAIRFIELD COMM	9/15/89	NY-FCI	7	10,922	9.91	0.00	SEP	0.20	4.13	(10.8)	(37.7)	20.6	0.0	(58.4)	2.0	45.1				
A	FED NATL MTG	8/11/89	NY-FNM	9	238,591	10.19	0.56	DEC	3.14	34.88	1.3	64.2	11.1	1.6	242.2	30.8	8320.9				
NR	FIRST CAROLINA		OC-FCAR	10	686	32.83	0.50	SEP	1.71	35.00	0.0	20.3	20.5	1.4	6.6	5.2	24.0				
B	FLEETWOOD ENTER	9/25/89	NY-FLE	12	22,598	18.27	0.76	S	JAN	2.42	D	23.63	2.2	(16.4)	9.8	3.2	29.3	13.2	533.9		
B	FOREST CITY-A#	Δ 9/15/89	AS-FCOA	8	5,102	30.93	0.42	OCT	4.47	U	38.13	0.0	(8.8)	8.5	1.1	23.3	14.5	194.5			
B	FOREST CITY-B#	Δ 9/15/89	AS-FCOB	8	3,890	30.93	0.36	OCT	4.47	U	37.75	(2.6)	(10.6)	8.4	1.0	22.0	14.5	146.6			



RANK	NAME	REVIEW DATE	EXCHANGE/ SYMBOL	GRF	SHARES (000)	BOOK VALUE	ANN DIV	---EARNINGS--- MON 12 MOS	PRICE 3/21/90	-TOTAL RET. FROM 2/22/90	3/21/89	P/E % ANN RATIO YIELD	% PRICE TO BOOK	RETURN ON BOOK	MKT VAL MIL \$	
C	LP- FORUM RET PFD UN#	Δ 6/14/89	AS- FRL	7	6,510	8.74	1.35	SEP 0.58	3.50	16.7	(13.8)	6.0	38.6	(60.0)	6.6	22.8
NR	FPA CORP		AS- FPO	7	4,011	7.52	0.00	DEC (1.14)	1.38	22.2	(70.3)	0.0	0.0	(81.7)	(15.2)	5.5
D	GENERAL DEVLPMT	9/15/89	NY- GDV	6	8,462	19.58	0.00	SEP 0.42	3.88	(36.7)	(73.9)	9.2	0.0	(80.2)	2.1	32.8
D	GENERAL HOMES		NY- GHO	7	15,009	(10.35)	0.00	DEC (9.92)	0.25	(20.1)	(50.0)	0.0	0.0	0.0	0.0	3.8
B	LP- GOULD INVSTRS LP@	Δ 9/29/89	AS- GLP	8	1,075	17.07	0.00	SEP 1.77	45.00	(6.3)	(20.0)	25.4	0.0	163.6	10.4	48.4
C	GRUBB & ELLIS CO		NY- GEE	11	16,205	5.17	0.00	DEC 0.03	4.50	12.5	150.0	0.0	0.0	(13.0)	0.6	72.9
NR	HAMMOND CO		OC- THCO	9	1,664	5.27	0.10	DEC 0.16	4.13	3.1	20.7	25.8	2.4	(21.7)	3.0	6.9
NR	HENLEY PROPS INC	1/26/90	OC- HENP	7	18,912	7.10	0.00	SEP (0.15)	8.25	13.8	22.2	0.0	0.0	16.2	(2.1)	156.0
L	P- HOTEL INVESTORS	10/27/89	NY- HOT	L	12,132	13.08	1.00	SEP (0.29)	4.75	0.0	(33.3)	0.0	21.1	(63.7)	(2.2)	57.6
C	HOVNANIAN ENTR	11/10/89	AS- HOV	7	20,854	6.10	0.00	NOV 0.95	6.38	(13.6)	(22.7)	6.7	0.0	4.5	15.6	132.9
NR	INDIANA FNCL INV		OC- IFII	8	905	13.78	0.00	DEC 1.17	7.00	(6.7)	7.7	6.0	0.0	(49.2)	8.5	6.3
A	LP- INTERSTATE GEN CO	3/23/90	AS- IGC	8	9,900	3.91	0.80	DEC 1.27 U	8.75	4.5	15.3	6.9	9.1	123.8	32.5	86.6
NR	INTL AMER HOMES		OC- HOME	7	6,811	3.80	0.00	DEC (0.74) D	0.38	(25.0)	(75.0)	0.0	0.0	(90.1)	(19.5)	2.6
L	JMB REALTY		OC- JMBRS	L	1,423	10.54	0.35	NOV 0.33	7.50	(3.2)	13.0	22.7	4.7	(23.8)	3.1	10.7
A	KAUFMAN & BROAD HM	11/10/89	NY- KBH	6	27,663	6.76	0.30	FEB 2.42 D	12.75	12.1	25.8	5.3	2.4	88.6	35.8	352.7
A	KOGER PROPS#	Δ 3/10/89	NY- KOG	8	26,567	8.89	2.80	DEC 2.77	22.25	(1.7)	(7.2)	8.0	12.6	150.3	31.2	591.1
C	LP- LA QUINTA MTR IN#	Δ 1/12/90	NY- LQP	8	3,975	15.96	2.00	SEP 1.25	6.75	(3.6)	(16.7)	5.4	29.6	(57.7)	7.8	26.8
C	LANDMARK LAND	9/15/89	AS- LML	10	7,996	4.00	0.00	SEP 0.25	13.50	56.5	(27.4)	54.0	0.0	237.5	6.3	107.9
C	LEISURE+TECH	11/24/89	NY- LVX	7	5,433	5.09	0.00	DEC (0.20) U	2.25	12.5	(56.1)	0.0	0.0	(55.8)	(3.9)	12.2
A	LENNAR CORP	11/10/89	NY- LEN	6	6,690	25.85	0.24	NOV 2.80	19.63	4.7	(1.9)	7.0	1.2	(24.1)	10.8	131.3
NR	LOAN AMER FNCL-B		OC- LAFGB	9	1,987	8.18	0.00	DEC 0.43 D	4.75	0.0	(7.3)	11.0	0.0	(41.9)	5.3	9.4
E	VJ- LOMAS FINANCIAL	9/29/89	NY- LFC	9	29,914	(7.94)	0.00	DEC (12.47)	0.50	(20.0)	(93.6)	0.0	0.0	0.0	0.0	15.0
C	MT SCHOTNSTN HMS		OC- MIHO	7	5,920	3.80	0.00	DEC 0.94 U	7.00	0.0	33.3	7.4	0.0	84.2	24.7	41.4
NR	MAJOR REALTY		OC- MAJR	7	6,928	3.28	0.00	SEP 0.72	9.75	0.0	(20.4)	13.5	0.0	197.3	22.0	67.5
NR	MAY DEPT STORES		NY- MA	10	124,385	16.42	1.58 U	JAN 3.52 U	48.50 X	8.9	32.7	13.8	3.3	195.4	21.4	6032.7
NR	MCA INC		NY- MCA	10	73,293	24.43	0.68 S	DEC 2.62	50.50	(4.0)	0.4	19.3	1.3	106.7	10.7	3701.3
D	MDC HOLDINGS		NY- MDC	6	15,890	9.58	0.00	SEP (1.01)	1.13	12.5	(50.0)	0.0	0.0	(88.3)	(10.5)	17.9
NR	MISSION WEST PR		AS- MSW	7	1,501	12.71	0.36	FEB (0.47) D	7.50	11.1	(13.9)	0.0	4.8	(41.0)	(3.7)	11.3
L	MONY RL EST INV		NY- MYM	L	10,639	9.35	2.00 L	NOV 0.95	7.13	3.6	(3.6)	7.5	28.1	(23.8)	10.2	75.8
L	MSA REALTY CORP #	Δ 8/25/89	AS- SSS	L	8,647	7.06	0.60 S	JUN 0.38	7.00 X	(10.6)	10.5	18.4	8.6	(0.8)	5.4	60.5
NR	NATIONAL ENTRPRS		NY- NEI	12	7,138	1.00	0.00	SEP (1.14)	0.56	(30.8)	(43.7)	0.0	0.0	(43.7)	(114.0)	4.0
C	LP- NATIONAL REALTY	8/25/89	AS- NLP	8	8,745	(3.28)	0.00	SEP (3.14)	3.75	(14.3)	(60.9)	0.0	0.0	0.0	0.0	32.8
A	LP- NEWHALL LAND	9/29/89	NY- NHL	10	37,950	3.64	0.80	DEC 1.74	29.63	(1.7)	11.2	17.0	2.7	713.9	47.8	1124.3
C	LP- NVR LP	11/10/89	AS- NVR	6	27,169	4.87	0.60	DEC 1.02	4.00 X	(12.6)	(33.3)	3.9	15.0	(17.3)	20.9	108.7
B	OAKWOOD HOMES		NY- OH	12	5,204	10.22	0.08	DEC 0.65	7.38	13.5	(2.2)	11.3	1.1	(27.8)	6.4	38.4
B	ORIOLE HOMES-A	5/26/89	AS- OHCA	7	1,917	13.86	0.65	DEC 1.97	9.25	8.8	(5.4)	4.7	7.0	(33.3)	14.2	17.7
B	ORIOLE HOMES-B	5/26/89	AS- OHCB	7	1,883	13.86	0.70	DEC 1.97	8.88	6.0	(11.6)	4.5	7.9	(36.0)	14.2	16.7
NR	PACESETTER HOMES		OC- PACE	7	1,542	9.21	0.00	SEP 1.67	7.25	(3.3)	75.8	4.3	0.0	(21.3)	18.1	11.2
NR	PARKWAY COMPANY		OC- PKWY	10	1,312	26.95	0.80 S	DEC (0.10)	12.50	(2.0)	(16.9)	0.0	6.4	(53.6)	(0.4)	16.4
NR	PATTEN CORP		NY- PAT	7	17,060	4.92	0.00	DEC (0.18)	1.75	0.0	(42.1)	0.0	0.0	(64.4)	(3.7)	29.9
B	PERINI INV PR#	Δ 9/15/89	AS- PNV	8	3,879	(0.17)	0.60	DEC 1.35 D	12.38	(4.8)	(18.9)	9.2	4.8	0.0	0.0	48.0
C	PETERS(JM) CO INC	11/10/89	AS- JMP	7	13,980	9.23	0.00	NOV 2.15	9.13	10.6	5.8	4.2	0.0	(1.1)	23.3	127.6
C	PHM CORP	5/26/89	NY- PHM	6	25,280	11.60	0.12	DEC 2.02 D	8.38 X	10.2	(21.9)	4.1	1.4	(27.8)	17.4	211.7
C	LP- PRIME MTR INN LP#	Δ 1/26/90	NY- PMP	8	4,000	19.42	2.08 S	SEP 2.58 U	10.00	8.1	(23.5)	3.9	20.8	(48.5)	13.3	40.0
D	PUNTA GORDA		AS- PGA	7	3,317	(2.85)	0.00	SEP (1.76)	0.50	(20.0)	(69.2)	0.0	0.0	0.0	0.0	1.7
NR	READING CO-A		OC- RDGCA	8	4,971	11.89	0.00	SEP 6.03	13.25	0.0	(1.9)	2.2	0.0	11.4	50.7	65.9
C	LP- RED LIONS INNS #	Δ 1/26/90	AS- RED	8	4,312	17.73	2.10	DEC 2.10	16.75	(2.2)	23.5	8.0	12.5	(5.5)	11.8	72.2
NR	ROCKWOOD NATL		PS- RNC	7	9,828	2.00	0.00	DEC (0.58)	0.38	0.0	(76.9)	0.0	0.0	(81.3)	(29.0)	3.7
A	ROUSE CO#	Δ 9/15/89	OC- ROUS	8	47,973	6.14	0.60 U	DEC 1.19 D	24.00 X	(0.4)	(7.7)	20.2	2.5	290.9	19.4	1151.4
A	RYLAND GROUP	11/24/89	NY- RYL	6	12,268	16.59	0.60 S	DEC 4.30	20.25	5.2	(5.8)	4.7	3.0	22.1	25.9	248.4
NR	SANTA FE PACIFIC		NY- SFX	10	157,752	4.52	0.10	DEC 0.09	20.25	9.5	(7.0)	225.0	0.5	346.0	2.0	3194.5
B	LP- SHOPCO LAURL CTR#	Δ 1/12/90	AS- LSC	8	4,660	7.73	1.12	SEP 1.07	8.75	(2.8)	2.3	8.2	12.8	13.2	13.8	40.8
B	SKYLINE CORP		NY- SKY	12	11,217	13.81	0.48 S	FEB 1.04 D	14.13 X	1.8	(19.4)	13.6	3.4	2.3	7.5	158.4
E	VJ- SOUTHWEST CORP	7/14/89	NY- SM	10	47,750	(24.99)	0.00	DEC (33.87) U	0.07	(50.4)	(95.7)	0.0	0.0	0.0	0.0	3.3
D	LP- SOUTHWEST RLTY#	Δ 9/29/89	AS- SWL	8	4,087	4.68	0.00	SEP (0.17)	1.13	0.0	80.0	0.0	0.0	(76.0)	(3.6)	4.6
NR	STARRETT HOUSING		AS- SHO	7	6,456	5.27	0.00	SEP 0.72	7.00	5.7	(12.5)	9.7	0.0	32.8	13.7	45.2
A	LP- STD PACIFIC LP	11/10/89	NY- SPF	6	27,073	8.59	2.35	DEC 3.87	14.13	(2.6)	33.1	3.6	16.6	64.4	45.1	382.4
NR	TEJON RANCH CO	11/24/89	AS- TRC	10	12,682	2.39	0.05 S	DEC 0.20 U	41.00	(5.5)	(1.7)	205.0	0.1	1615.5	8.4	520.0
NR	TIERCO GP INC		OC- TIER	8	2,126	(6.89)	0.00	SEP (13.38)	0.50	33.3	(87.5)	0.0	0.0	0.0	0.0	1.1
C	TOLL BROS	5/26/89	NY- TOL	6	29,913	2.85	0.00	JAN 0.45 U	3.38	0.0	(15.6)	7.5	0.0	18.4	15.8	101.0
B	LP- UDC-UNIVRSAL DEV	11/24/89	NY- UDC	7	7,186	3.38	0.30	DEC 4.85	24.38 X	2.3	40.4	5.0	13.5	621.2	143.5	175.2
NR	UNICORP AMER		AS- UAC	10	17,300	5.50	0.00	SEP (2.71)	1.13	(35.7)	(80.8)	0.0	0.0	(79.5)	(49.3)	19.5
D	UNION VALLEY CORP		AS- UVC	7	3,560	5.08	0.00	DEC 0.07 U	3.13	4.2	(59.0)	44.6	0.0	(38.5)	1.4	11.1
D	USHOME CORP	11/10/89	NY- UH	6	44,031	4.19	0.00	DEC 0.03	1.25	11.1	(33.3)	41.7	0.0	(70.2)	0.7	55.0
NR	LP- US REALTY PTNRS#	Δ	OC- USRLZ	8	1,222	14.38	1.56	SEP 1.80	6.00	(4.0)	(2.5)	3.3	26.0	(58.3)	12.5	7.3
L	VINLAND PROPERTY		OC- VIPTS	L	5,966	2.18	0.00	NOV (1.07) U	0.44	16.8	(29.9)	0.0	0.0	(79.9)	(49.1)	2.6
NR	LP- VMS MORTGAGE INV		OC- VMLPZ	9	7,629	9.00	0.80	SEP 1.01	0.88	(22.2)	(74.0)	0.9	91.4	(90.3)	11.2	6.7
NR	WASHINGTON CORP		PH- TWCX	7	1,739	4.85	0.00	SEP 0.53	3.88	(6.1)	(47.5)	7.3	0.0	(20.1)	10.9	6.7
B	WEBB (DEL) CORP	9/15/89	NY- WEB	6	9,368	6.93	0.20 U	DEC 0.62	11.00	12.8	(29.0)	17.7	1.8	58.7	8.9	103.0
NR	LP- WINTHROP INS MTG		AS- WMI	9	3,868	12.27	1.36 U	DEC 1.23	13.13	1.0	16.9	10.7	10.4	7.0	10.0	50.8
D	WRITER CORP		OC- WRTC	7	4,400	0.23	0.00	SEP (2.18)	0.56	(24.9)	12.6	0.0	0.0	144.8	(947.8)	2.5

## SYMBOLS &amp; ABBREVIATIONS

RANKINGS: A - Strongest in EPS/CFS/dividend growth, financial/liquidity position, and competitive posture in business segment. Buy; B - Above average in EPS/CFS/dividend growth, financial/liquidity position, and competitive posture in business segment. Above average market performer/buy; C - Average but some volatility apparent in EPS/CFS/dividend growth, financial/liquidity position, and open to competitive pressures. Speculative buy; D - Below average with high volatility in EPS/CFS/dividends, financial/liquidity pressures with some illiquidity, and less competitive business position. More speculative buy; E - Sustained losses and cash flow, illiquidity, and possible bankruptcy filing. Most speculative buy. \* = Not Ranked. Z = Audit or affiliates involved in pending transaction. EPS or Dividend: U=Up. D=Down. S=Unchanged. I=Initial. E=Includes extra. X=Ex Dividend. Δ = Cash Flow (EPS plus noncash charges). Book value for cash flow entities includes accum. depreciation. Last bid prices used for OTC. P=Paired stock. √=Current appraised value reported see p. 7. F=Finite life REIT. LP=Limited partnership. L=Liquidating. VJ=In bankruptcy reorganization. RANKING CHANGES: We are reducing Ranks on these stocks: REITs: BRE Properties, A to B, slow dividend growth; HRE Properties, A to B, slow dividend growth including a one-time cut to \$0.25 share in the current quarter because of anti-takeover costs; MGI Properties, A to B, as per Feb. 23 RSR; Lomas & Nettleton Mtg. and Presidential Realty to D Rank because of continuing problem loans and liquidity pressures. OPERATING COMPANIES: General Development, MDC Holdings, Union Valley Corp., and U.S. Home, to D Rank reflecting credit pressures; Hovnanian Enter., B to C, because of soggy markets, and LaQuinta Motor Inns L.P., to C on a pending dividend cut. Ranking raised: Interstate General LP, B to A, see review page 4. DELETED: Angeles Finance Trust acquired by Angeles Corp. GROUP CHANGE: Continental Mortgage & Equity Trust and National Income Realty Trust from Liquidating Companies to Property and Mortgage Combination REITs.